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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

10 WELLS FARGO ADVISORS, LLC, a
11 limited liability company.

12 Petitioner.

13 || VS.

14 KENNETH C. SHAFFER, an individual
15 Respondent

Case No. 11-CV-01500 SC

**DECLARATION OF KENNETH C.
SHAFFER IN SUPPORT OF MOTION
TO CONFIRM ARBITRATION
AWARD AND ENTER JUDGMENT
THEREON**

DATE: June 10, 2011
TIME: 10:00 a.m.
COURTROOM: 1, 17th Floor

AND RELATED COUNTERCLAIMS

18 J. Kenneth C. Shaffer, declare:

19 1. I am the respondent herein.

20 2. Filed herewith as Exhibit 1 is a true and correct copy of the promissory note with
21 Wells Fargo Investments, Inc. ("WFI"), which I executed on January 4, 2008.

22 3. On or about February of 2010, WFI filed a Statement of Claim against me with
23 the Financial Industry Regulatory Authority (“FINRA”), entitled *In the Matter of the Arbitration*
24 *Between Wells Fargo Investments, LLC and Kenneth C. Shaffer*, FINRA Case No. 10-00773
25 (“the Arbitration”). WFI alleged that it was entitled to recover \$74,617.76 plus interest and
26 attorneys fees pursuant to the terms of the promissory note. A true and correct copy of this
27 Statement of Claim and the exhibits thereto is filed herewith as Exhibit 2.

1 4. On or about February 2, 2010, WFI, through its Chief Executive Officer Charles
 2 W. Daggs, III, executed a FINRA Arbitration Submission Agreement for the Arbitration by
 3 which it submitted the matter in controversy, as set forth in the Statement of Claim, answers and
 4 all related cross claims, counterclaims and/or third party claims which may be asserted to
 5 arbitration in accordance with the FINRA By-Laws, Rules and Code of Arbitration Procedure.
 6 WFI agreed to be bound by FINRA's Rules and Procedures. WFI further agreed to abide by and
 7 perform any award(s) rendered by the arbitration panel. A true and correct copy of this
 8 Submission Agreement is filed herewith as Exhibit 3.

9 5. On or about April 14, 2010, I submitted an Answer to WFI's Statement of Claim
 10 and a FINRA Arbitration Submission Agreement. In my Answer, I asserted numerous defenses
 11 to the enforcement of the promissory note, including that the note is unenforceable. A true and
 12 correct copy of my Answer, the exhibits thereto, and my executed Submission Agreement is filed
 13 herewith as Exhibit 4.

14 6. On or about May 4, 2010, I submitted a Counter-claim in the Arbitration. This
 15 Counter-claim was submitted on a form entitled Claim Information Sheet, that is part of a packet
 16 entitled Uniform Forms Guide that is available on FINRA's web-site. I retrieved this packet,
 17 including the Claim Information Sheet form I submitted, from FINRA's web-site. This form lists
 18 the types of claims which FINRA hears, with boxes to be checked for the applicable claims. I
 19 checked the boxes on the form for "Commissions", "Discrimination/Disability", "Libel or
 20 Slander on Form U-5", "Promissory Notes", "Wrongful Termination" and "Defamation". A true
 21 and correct copy of my Counter-claim and exhibits thereto is filed herewith as Exhibit 5.

22 7. On or about May 25, 2010, WFI filed a response to my counterclaims.

23 8. An evidentiary hearing was held in the arbitration on January 4, 2011 and January
 24 5, 2011. The arbitrators were Thomas D. Reese, Laurel Littman Gotthelf, and Marilyn G.
 25 McCluskey. WFI was represented by Ronald P. Kane, Esq., of Kane & Fisher, Ltd. I appeared in
 26 pro per. I could not afford to hire an attorney to represent me. I testified extensively at the

1 evidentiary hearing. Several employees and agents of WFI also testified. Numerous documents
2 were received into evidence.

3 9. The arbitration panel issued their award January 18, 2011. The panel denied
4 WFI's claims against me in their entirety. The panel ruled that WFI shall pay compensatory
5 damages to me in the amount of \$75,000.00. The panel further recommended that the
6 Termination Comment in my Form U-5 be expunged and replaced with other language set forth
7 in the Award. A true and correct copy of this Award is filed herewith as Exhibit 6.

8 I declare under penalty of perjury of the laws of the State of California and of the United
9 States of America that the foregoing is true and correct of my own personal knowledge, and that
10 this declaration was executed 1/17/11, at 7000 1/2, California.

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13 KENNETH C. SHAFFER
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